



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

April 3, 2003

H.R. 533
Agent Orange Veterans' Disabled Children's Benefits Act of 2003

As introduced on February 5, 2003

Exposure to certain herbicides used by the Department of Defense (DoD) during the Vietnam War from 1962 to 1971 has been associated with a range of diseases from cancer to birth defects. Under current law, children with spina bifida who were born to veterans of the Vietnam War are entitled to monetary allowances, vocational rehabilitation benefits, and medical benefits administered by the Department of Veterans Affairs (VA). According to VA, the department provides these benefits to about 1,100 children born to Vietnam veterans out of a total of about 8.3 million veterans who served in Vietnam.

H.R. 533 would expand eligibility for these benefits to children with spina bifida who were born to veterans exposed to the specified herbicides during military service in locations other than Vietnam. The bill also would authorize the Secretary of Veterans Affairs to issue a regulation that would identify locations and/or tasks that would qualify as "herbicide-risk service" for the purpose of the new benefit. CBO cannot estimate the cost of enacting H.R. 533 at this time because we have no information regarding how the Secretary would implement the bill.

The costs of the bill are particularly uncertain because they depend on what population of veterans would be included in the Secretary's definition of "herbicide-risk service." According to DoD, herbicides were used at the demilitarized zone in Korea in 1968 and 1969. DoD estimates that up to 12,000 veterans assigned to that area may have been exposed during that time period, but that the number of veterans exposed could possibly be much lower. DoD and VA also indicate that there are locations besides Korea and Vietnam where former servicemembers may have been exposed to herbicides, and that there are other locations where herbicides were used but it is unclear whether servicemembers were exposed. However, neither department has an estimate of the number of veterans potentially exposed at these other locations; nor are we certain that DoD and VA have identified all locations.

In 2002, the costs of benefits provided by VA to children with spina bifida born to Vietnam veterans ranged, depending on the severity of the disease, from \$2,736 to \$16,248 a year per child for disability compensation and, on average, about \$11,300 a year per child for medical benefits. Based on information provided by VA, CBO estimates that these benefits cost about \$14 million in direct spending and \$12 million in discretionary spending in 2002.

Based on the average annual costs for current cases, CBO estimates that adding between 30 and 50 new spina bifida cases over the 2004-2008 period would increase direct spending by close to \$1 million a year by the end of the period. Roughly the same number of cases would also increase discretionary spending by about the same amount each year. Lacking information from DoD and VA regarding the number of veterans who might qualify as having “herbicide-risk service,” we cannot estimate whether the number of new spina bifida cases that would result from enacting this legislation would reach or exceed this figure.

On the one hand, if the Secretary requires that an applicant must prove that the veteran was directly exposed to herbicides, then it appears likely that few additional children with spina bifida would be eligible for benefits and that the costs associated with the bill would be insignificant (i.e., less than \$1 million a year). On the other hand, if the Secretary only requires that the veteran simply served in a location where herbicides were used (as required today for Vietnam veterans), it is possible that many children with spina bifida would be eligible for benefits, and costs could approach or exceed those for children with spina bifida born to Vietnam veterans (i.e., a level of about \$25 million as cited above for 2002 for the total of direct spending and discretionary spending).

In the case of a broad definition of “herbicide-risk service,” if some veterans meet the requirement yet were not directly exposed to herbicides during service, we would still expect that, based on the incidence of the disease in the unexposed population as a whole, there would be some children born with spina bifida who would qualify for benefits. But according to the Institute of Medicine, children born to parents exposed to herbicides have a 70 percent higher risk of having spina bifida than children born to parents who have not been exposed.

At this time, CBO lacks sufficient information to estimate how narrowly or broadly the Secretary would define “herbicide-risk service.” However, if VA or DoD provide more information at a later date, we may be able to estimate the cost of H.R. 533 in the future.

H.R. 533 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact is Melissa E. Zimmerman. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.